

JPMorgan Chase: One of the private prison industry's most dedicated lenders

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Private prison companies hold contracts to operate hundreds of prisons, jails, and immigration detention centers across the country. By profiting off of incarceration, private prison companies have a perverse incentive to make business decisions that lead to more people behind bars. Private prisons also are rife with human rights abuses, pay correctional officers less than they are paid at publicly managed prisons, and foster environments un conducive to prisoner rehabilitation.

The two private prison industry leaders, CCA and GEO Group, depend on debt financing to conduct their day-to-day business operations and acquire smaller companies.¹ An analysis of U.S. Securities and Exchange Commission (SEC) filings over the past 10 years, which is detailed in In the Public Interest's report "The Banks That Finance Private Prison Companies," shows that JPMorgan Chase has played a leading role in financing these debts.² In doing so, JPMorgan Chase is complicit with private prison companies in contributing to and enabling mass incarceration and the criminalization of immigration. Additionally, by collecting interest and fees on outstanding debt, the banks are complicit with CCA and GEO Group in profiting from mass incarceration and the criminalization of immigration.

The table below outlines JPMorgan Chase's involvement in financing CCA's and GEO Group's debts. The preceding bulleted list provides key findings from the table. The terms in the list and table are defined in the glossary following the table.

Summary of JPMorgan Chase's current involvement in CCA's and GEO Group's debts (through debt agreements that were active as of June 2016)

- JPMorgan Chase has extended to CCA a \$132.5 million line of revolving credit, of which CCA has borrowed \$65.4 million.
- JPMorgan Chase has provided a \$14.3 million term loan to CCA.
- JPMorgan Chase is part of the syndicate of banks that has extended a \$900 million line of revolving credit to GEO Group, of which GEO Group has borrowed \$450 million.³
- JPMorgan Chase underwrote at least \$113 million of CCA's and GEO Group's bonds.
- JPMorgan Chase held \$166 million of CCA's and GEO Group's bonds as of October 14, 2016.

JPMorgan Chase’s current and past involvement in CCA’s and GEO Group’s debts

Type of Debt	Current Involvement	Past Involvement
Revolving Credit	<ul style="list-style-type: none"> • \$65.4 million loan to CCA • \$132.5 million line of credit to CCA • Issuing lender for CCA • Part of the syndicate of banks that has loaned GEO Group \$450 million and extended the company a \$900 million line of credit 	<ul style="list-style-type: none"> • Extended a \$118.8 million line of credit to CCA in 2013 • Part of the syndicate of banks that extended a \$785 million line of credit to CCA in 2012 • Issuing lender for CCA’s revolving credit issued in 2012 and 2013 • Part of the syndicate of banks that extended a \$450 million line of credit to CCA in 2007* • Administrative agent, swingline lender, and issuing lender for the syndicate of banks that extended CCA a \$150 million line of credit in 2006* • Part of the syndicate of banks that extended a \$700 million line of credit to GEO Group in 2013
Term Loans	<ul style="list-style-type: none"> • \$14.3 million loan to CCA • Part of the syndicate of banks that has loaned GEO Group \$291 million 	<ul style="list-style-type: none"> • Unknown
Bonds	<ul style="list-style-type: none"> • Resold \$42.5 million of notes as the largest underwriter for CCA’s offering in 2015 • Part of a syndicate of banks that underwrote \$675 million notes for CCA’s two offerings in 2013 • Underwrote \$70 million of notes for GEO Group’s offering in 2016 • Underwrote \$31.3 million of notes for GEO Group’s offering in 2014 • Trustee for all four of GEO Group’s bond offerings • Holds \$9.4 million of GEO Group’s bonds (as of 14 October 2016) 	<ul style="list-style-type: none"> • Underwrote \$105.8 million of notes for CCA’s offering in 2009* • Underwrote \$31.5 million of notes for CCA’s offering in 2006* • Part of the syndicate of banks that underwrote CCA’s bond offering in 2005 totaling \$375 million* • Trustee for GEO Group’s bond offering in 2011 totaling \$300 million • Trustee for GEO Group’s bond offering in 2009 totaling \$250 million

Note: The “Current Involvement” column contains details on debts from agreements between JPMorgan Chase and CCA or GEO Group that were active as of 30 June 2016. The “Past Involvement” column contains details on debts from agreements between JPMorgan Chase and CCA or GEO Group that are currently inactive but were active at some time since 27 January 2007. The table provides a partial view of JPMorgan Chase’s involvement in financing CCA’s and GEO Group’s debts. The data are not comprehensive due to limited information in the records that CCA and GEO Group have provided to the U.S. Securities and Exchange Commission. The table includes the involvement of the subsidiaries of JPMorgan Chase. Data in this table come from In the Public Interest’s report “The Banks That Finance Private Prison Companies” from November 2016.

Glossary of terms

- **Bond:** a debt security issued by CCA or GEO Group in exchange for money. The entities that hold the bonds can resell them to other investors at any time. CCA and GEO Group pay interest to entities that hold the bonds.
- **Note:** see definition for “bond.”
- **Revolving credit:** credit that a syndicate of banks extends to CCA or GEO Group. Under the revolving credit agreement, CCA or GEO Group can borrow and repay funds on any date until the agreement’s end date, so long as the total value of the debt does not surpass the agreed-upon limit.
- **Syndicate:** a group of banks that come together to finance CCA’s or GEO Group’s debts. For revolving credit, each bank in the syndicate extends a portion of the total line of credit extended to CCA or GEO Group. For term loans, each bank in the syndicate provides a portion of the loan.
- **Term loan:** a set amount CCA or GEO Group borrow from a syndicate of banks.
- **Underwrite:** The process of buying bonds from CCA or GEO Group and reselling them on the secondary market.

About In the Public Interest



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This fact sheet is part of **Programs Not Profits**, a multi-year campaign promoting the replacement of private corrections industry profits that hurt incarcerated people, correctional officers, and taxpayers, with publicly funded and managed programs that provide job training, mental health care, and substance abuse treatment. Get involved at programsnotprofits.org.

Notes

- 1 While Corrections Corporation of America (CCA) rebranded as “CoreCivic” on 28 October 2016, this report continues to use the name “CCA.” For more information see Corrections Corporation of America, “Corrections Corporation of America Rebrands as CoreCivic” (press release), 28 October 2016.
- 2 The sources and methodology used to calculate the data in brief can be found in In the Public Interest’s report “The Banks That finance Private Prison Companies” released in November 2016.
- 3 GEO Group’s filings with the U.S. Securities and Exchange Commission do not disclose the amount of credit JPMorgan Chase has extended to GEO Group. Rather, GEO Group’s filings disclose the total credit the syndicate of banks has extended to the company, which is presented in the text.